(c) Government and Reserve Bank of India have taken various steps to strengthen the Boards of Directors of Nationalized banks such as increasing representation of professionals in the Boards, induction of shareholder Directors, 'fit and proper' criteria for appointment of directors including for shareholder directors, representation of employees and officers in the Bank Boards, etc. Further, to facilitate quick and efficient decision-making and to provide sufficient managerial autonomy to the Boards of public sector banks to be able to complete internationally, Government announced and Autonomy Package on 22.02.2005 for these banks granting autonomy to the Bank Boards in respect of operational matter. The Government has also put in place a performance linked incentive scheme for the Whole Time Directors of PSBs based on their achievement on broad quantitative parameters and bench-marks.

Mismanagement of Micro Finance Scheme

1561. SHRI SHAHID SUDDIQUI: Will the Minister of FINANCE be pleased to state:

(a) what action is being taken to make the "Micro Finance Scheme" more transparent and people friendly in view of mismanagement being reported from all quarters on the said scheme; and

(b) what is the percentage of total loan being given by the Nationalized Banks through the Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Self Help Groups (SHGs)- Bank Linkage Programme has emerged as the major Micro Finance programme in the country, which is being implemented by Commercial Banks, Regional rural Banks and Cooperative Banks. As on March 31, 2007, 29.24 lakh SHGs have been linked to banks involving a total credit flow of Rs. 18,040 crore (cumulative figure since 1992). Similarly, under Swaranjayanti Gram Swarozgar Yojana (SGSY), 43551 SHGs were disbursed loan amounting to Rs. 26, 150.74 lakh, which is 64% of the total loan disbursed under the scheme, during the year 2006-07. The Nationalized Banks have a predominant share in the lending under this scheme.

Banks have been advised that micro credit should from an integral part of the bank's corporate credit plan and should be reviewed at the highest level on a quarterly basis. They have also been advised to focus on relatively less banked areas, engage in capacity building and empowerment of the groups to the desired extent and adhere to their system and practices and lending policies with a view to ensure better transparency and people friendly practices.

The Government of India has introduced the Micro Financial Sector (Development and Regulation) Bill, 2007 on 20th March, 2007 in the Lok Sabha, which envisages a formal statutory framework for the promotion, development and regulation of the micro finance sector.

Proposal of SBI to buy South African Bank

1562. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India (SBI) proposes to buy a South African Bank;

(b) if so, the details thereof;

(c) how many banks have been bought by SBI in different countries so far; and

(d) what has been the financial results of each of them for the last financial year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) Does not arise.

(c) State Bank of India (SBI) has acquired 62% stake in Indian Ocean International Bank Ltd. (IOIB), Mauritius, and 76% stake in PT Bank Indo Monex of Indonesia.

(d) As on 31.03.2007, IOIB, Mauritius has posted a net profit of USD 1.47 million, with balance sheet size of USD 181.91 million, while the PT Bank Indo Monex incurred a loss of USD 0.15 million which balance sheet size of USD 39.70 million. However, after taking over its management control by SBI, the PT Bank has posted a net profit of USD 0.13 million in the first half of the current year i.e. April - September, 2007.

Branches of Nationalized Banks in Ahmedabad

1563. SHRI PRAVEEN RASHTRAPAL: Will the Minister of FINANCE be pleased to state:

(a) what are the total number of branches of Nationalized Banks in Ahmedabad City and District of Gujarat;

(b) how many requests/demands from public for opening new branches of Nationalized Banks are pending; and

(c) what are the requirements and guidelines for opening new branches of Nationalized Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As reported by the Dena Bank, the Lead Bank of District Ahmedabad. there are presently 480 branches and 563 branches of Nationalised Banks functioning in Ahmedabad City and District Ahmedabad, Gujarat, respectively.

(b) and (c) In terms of Branch Authorisation Policy of Reserve Bank of India (RBI) updated on July 2, 2007, banks have been given freedom to submit their Branch Expansion Plans to RBI for approval on annual basis. Banks have the freedom to select centres for opening of new branches, which they decide based on factors like the business potential, commercial viability, availability of infrastructure etc. and they are encouraged to open branches in underbanked centres. Further, there is no restriction on banks to serve the clients in any locality at a centre.

Requests are received from time to time from members of public for opening of new bank branches at various centres, which are forwarded to respective banks for necessary action. Banks decide such requests on merit and based on business potential and other factors at the particular cntres.

Levy of rural development cess on agriculture produce

1564. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) wether it is a fact that Government proposes to impose levy of rural development cess on agriculture produce;